



HOWARD MARKLEIN

STATE REPRESENTATIVE • 51ST ASSEMBLY DISTRICT

TESTIMONY ON SB 230

December 20, 2011

Thank you, Chairman Zipperer and the rest of the Senate Committee on Judiciary, Utilities, Commerce, and Government Operations for allowing me to testify today in favor of Senate Bill 230, which provides for an exemption to the prevailing wage law.

The idea for this bill came from a project that was developed by the Friends of Blue Mounds State Park. Volunteers raised over \$400,000 in private funds to rebuild a park shelter. After discovering that they were required to comply with prevailing wage law, the organization found that they had not raised the necessary funds to complete the project. Had the project been prevailing wage exempt, the shelter could be built with private funds.

This legislation provides an exemption from the prevailing wage law for a public works project that is not less than 85% privately funded as long as the project is dedicated to the state or a local governmental unit for conservation, recreational, or educational purposes. This bill would positively affect the nice amenities that are privately funded that the taxpayers cannot afford. Some examples include libraries, swimming pools, auditoriums, and athletic venues.

This bill encourages private sector dollars to flow into projects that will help the general public in our local parks, schools, and libraries. The intent of this law is not to abolish prevailing wage, but to facilitate the building of public works projects that are privately funded for public use. In times of fiscal austerity, we, as the state, should try our best to leverage private dollars to maximize their positive effect on our communities.

Thank you.



WISCONSIN PIPE TRADES ASSOCIATION

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TO: Senator Rich Zipperer, Chair
Members, Senate Committee on Judiciary, Utilities, Commerce, and
Government Operations

FR: Tom Gasperetti
Wisconsin Pipe Trades Association

DA: December 20, 2011

RE: SB 230, legislation relating to prevailing wage exemptions

Good morning, Chairman Zipperer and members. My name is Tom Gasperetti and I am a member of the Wisconsin Pipe Trades Association (WPTA), a trade group representing the working men and women in the plumbing, steam fitting, and sprinkler fitting industries.

Discussion and debate on Wisconsin's prevailing wage law was very lengthy and thorough during the state budget process. Our organization understood the desire to re-examine the thresholds, and to that end participated in the process. Modifications were made to the law and only a few months have passed since then.

With that in mind, we are concerned that this legislation too quickly opens the door to broad exemptions of the prevailing wage law. Our knowledge of this legislation's purpose is to exempt a shelter for the Blue Mounds State Park. However, this bill as drafted would also create exemptions from prevailing wage rates on many University of Wisconsin dorms and stadiums, and other Department of Natural Resources (DNR) projects.

The WPTA works very closely with our contractors and share in the belief that prevailing wage is a fair, market-driven manner in which to calculate wages and benefits for certain public sector work.

A few key points for your consideration:

- The prevailing wage is not the union wage
- The market determines the wage rates; the prevailing wage is set by non-union *and* union private sector work
- It is set locally – county by county - which ensures that the projects in Milwaukee for example do not offset projects in smaller, more rural areas of the state
- There are costs to the state to maintain public structures, which is why wage standards and building standards are put in place
- Because the Village of Blue Mounds has a population of fewer than 2500, the prevailing wage threshold kicks in at \$234,000, so an exemption already exists for smaller scale projects
- The shelter project is nearly half a million dollars, which is considered a sizeable project and does not qualify it as a small-scale project

During the public hearing in the Assembly, it was determined that a quote for this project was obtained without using the prevailing wage rates. It is unclear to our organization how that would have been done – contractors are very well informed of the wage rates that apply within each county. This project should have never been bid without using prevailing wage rates that are established by the private sector.

While we commend the Friends of Blue Mounds State Park for raising significant dollars for a worthy project, we do not support this legislation. The bill as drafted would create a broad, problematic loophole, not just exempt this project.

Thank you for the opportunity to provide feedback on this legislation. I would be happy to address any questions at this time.